

Hearing Date: January 14, 2009 at 10:00 a.m. (NYT)

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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| In re: | : | Chapter 11 Case No. |
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| LEHMAN BROTHERS HOLDINGS INC., <u>et al.</u> , | : | 08-13555 (JMP) |
| | : | |
| Debtors. | : | (Jointly Administered) |
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**STATEMENT REGARDING DEBTORS' MOTION PURSUANT TO BANKRUPTCY
RULE 1007(c) TO EXTEND THE TIME TO FILE THE DEBTORS' SCHEDULES,
STATEMENTS OF FINANCIAL AFFAIRS, AND RELATED DOCUMENTS**

The Official Committee of Unsecured Creditors (the "Committee") appointed in the chapter 11 cases of Lehman Brothers Holdings Inc. ("LBHI") and its affiliated debtors-in-possession (collectively, the "Debtors") hereby submits this statement (the "Statement") in response to the Debtors' Motion Pursuant to Bankruptcy Rule 1007(c) to Extend the Time to File the Debtors' Schedules, Statements of Financial Affairs, and Related Documents filed December 30, 2008 (Docket No. 2411) (the "Third Extension Motion"), and represents as follows:

BACKGROUND

1. On September 15, 2008 (the “Petition Date”), and periodically thereafter, the Debtors commenced the above-captioned chapter 11 cases (the “Chapter 11 Cases”). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to section 1107(a) and 1108 of the Bankruptcy Code.

2. On September 17, 2008, the United States Trustee appointed the Committee in the Chapter 11 Cases. No trustee or examiner has been appointed in the Chapter 11 Cases.

3. On September 16, 2008, the Court entered an order granting the Debtors’ motion for an extension of time to file their schedules by an additional 45 days (the “First Extension Motion”), through and including November 14, 2008. On November 21, 2008, the Court entered a second order granting the Debtors’ motion for an extension of the time to file their schedules by an additional 60 days (the “Second Extension Motion”), through and including January 13, 2009. By the Third Extension Motion, the Debtors request that the Court extend the time to file the Debtors’ schedules by at least an additional 60 days, through and including March 16, 2009, without prejudice to the Debtors’ right to seek further extensions, for cause shown, should it become necessary.

STATEMENT

4. The Committee understands the myriad reasons why the schedules, statements of financial affairs and related documents (collectively, the “SOFAs and Schedules”) could not have been completed to date. Since it is impossible to complete and file them by the current deadline, the Committee does not oppose the Debtors’ request for an additional, limited extension of time to file the SOFAs and Schedules.

5. Nonetheless, the Committee is very concerned about the prompt disclosure of information in these chapter 11 cases. While it may be impossible to achieve complete

informational transparency at this point in time, greater transparency is possible. Any impediment to the flow of information that is vital to a basic understanding of the Debtors' condition, such as the SOFAs and Schedules, must be eliminated. To this end, the Committee encourages the Debtors to resolve, as expeditiously as possible, any remaining technical and transition service related challenges that impede the filing of the SOFAs and Schedules.

6. Finally, in the interest of greater transparency, the Debtors should begin filing monthly operating reports ("MOR's"). We understand that no monthly operating reports have been filed to date due to the same Petition Date-close issue that has delayed the filing of the SOFAs and Schedules. As a result, there is currently little public information available about the Debtors' financial condition. To ameliorate the current state of affairs, we urge the Debtors to work together with the Office of the United States Trustee to agree on an interim format for MOR's that does not require the Petition Date-close information. For instance, an MOR as of August 31, 2008 could and should be filed in the near term and then supplemented with an MOR as of September 15, 2008 when available. Such a format may require ultimate restatement of the affected MOR's, but – from the Committee's perspective – partial information now (subject to restatement) is preferable to waiting for complete information to be available at an unspecified date in the future.

WHEREFORE, the Committee respectfully requests that the Court (i) grant the Third Extension Motion on the conditions set forth herein; and (ii) grant the Committee such other relief as is just and proper.

Dated: New York, New York
January 9, 2009

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